

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

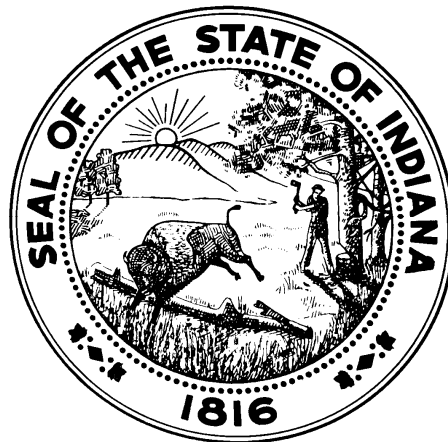
REVIEW REPORT

OF

COURT OF APPEALS

STATE OF INDIANA

November 1, 2006 to October 31, 2008



FILED
02/25/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Agency Officials	2`
Independent Accountant's Report.....	3
Review Comments:	
Attendance Reports.....	4
Personal Long Distance Phone Calls	4
Exit Conference.....	5
Official Response	6

AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Administrator	Steven Lancaster	05-01-06 to 06-30-09
Chief Judge	Honorable James Kirsch	02-25-04 to 02-24-07
	Honorable John G. Baker	02-25-07 to 02-24-10



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE COURT OF APPEALS

We have reviewed the receipts, disbursements, and assets of the Court of Appeals for the period of November 1, 2006 to October 31, 2008. The Court of Appeals' management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Court of Appeals are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

December 23, 2008

COURT OF APPEALS
REVIEW COMMENTS
October 31, 2008

ATTENDANCE REPORTS

As stated in our prior Report B29411, we observed that none of the employee attendance reports reviewed had a signature of approval. Also, we found that the Administrator of the Court of Appeals does not submit attendance reports. Attendance reports represent a claim of public funds and serve as supporting documentation for the proper use of public funds. Additionally, attendance reports serve as support for both the accrual and use of leave benefits of eligible employees.

Every employee must submit an attendance report for each pay period. The attendance report is to be signed and dated by the employee. Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 9)

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

PERSONAL LONG DISTANCE PHONE CALLS

As stated in our prior Report B29411, Court of Appeals' employees make personal long distance telephone calls on the agency's telephones. Each month, employees review telephone bills, identify their personal calls, and present a check or cash to the agency for payment.

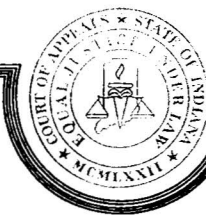
Personal long distance calls are not allowed to be charged to the State or placed over the State telephone network. Such calls should be charged to the employee's home phone, personal calling card, or placed collect. Agencies should review monthly telephone billings for indication of charges for personal calls. If an agency discovers that personal calls have been placed, reimbursement must be sought for the charges incurred and the employee should be instructed not to charge additional long distance calls on the state network. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 5)

COURT OF APPEALS
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2009, with Honorable John G. Baker, Chief Judge; Steven Lancaster, Administrator; and Kathy Wethington, Accountant. The official response has been made a part of this report and may be found on page 6.

COURT OF APPEALS

JOHN G. BAKER, CHIEF JUDGE
ROOM 419, STATE HOUSE
(317) 232-6895
FAX (317) 233-3093
jbaker@courts.state.in.us



OF INDIANA

INDIANAPOLIS 46204-2733

February 10, 2009

State Board of Accounts
Room E418, 302 West Washington St.
Indianapolis, Indiana 46204-2281

OFFICIAL RESPONSE

Following receipt of your findings on February 4, 2009, we submit the following as our official response to your report dated October 31, 2008:

Attendance Reports

Based on your recommendation, the Court is in the process of implementing a system that will provide a review and a signature approval of employee attendance records.

Personal Long Distance Phone Calls

The Court does not encourage employees to make personal long distance telephone calls on the Court's telephone system, but, if an employee does make a personal long distance telephone call on the Court's telephone system, it is important to the Court that the State be reimbursed for the call. For this reason the Court will continue to have its employees review telephone bills each month and to reimburse the state for any personal long distance telephone call they may have made during the month.

We appreciated the opportunity to visit with Mr. Mike Lynch about the report and the opportunity to respond.

Respectfully,

A handwritten signature in black ink, which appears to read "John G. Baker".

John G. Baker
Chief Judge
Indiana Court of Appeals